

# Safeguard Georgia's European Choice

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In June 2022 the European Union recognized Georgia's European Perspective and promised to grant candidacy status as soon as the country met the necessary criteria. In any other circumstances, the decision would have been considered a significant success for the Georgian government. Expectations, however, were much higher – to secure EU candidacy status then and there. Georgia had previously been viewed as a showcase for successful reforms and as a frontrunner in the Eastern Partnership. However, a series of political mistakes and domestic upheavals pushed the country back in the Euro-integration process. As a result, Georgia's membership application did not result in candidacy status, while Ukraine's and Moldova's did.

The European Commission recommended that Georgia be granted candidate status once a set of 12 "priorities"<sup>1</sup> had been addressed. These priorities reflect ongoing concerns about Georgian democracy, media freedom, the independence of the judiciary and political polarization. The Georgian authorities have responded to these concerns in a mainly irrational and emotional way. Instead of acknowledging shortcomings and working with a full spectrum of partners to address them, several politicians from the ruling elite used confrontational rhetoric, accusing some European politicians of bias, favouritism towards the opposition and warmongering.

The most challenging of the 12 EU preconditions concern political depolarization and "deoligarchization". Bidzina Ivanishvili – a former prime minister, the richest person in Georgia and founder of the ruling political party, Georgian Dream – is considered by many to be an informal governor. Although he officially withdrew from Georgian politics when he relinquished his position as chair of Georgian Dream in 2021, opposition parties and watchdog civil society organizations regularly decry his ongoing influence on political decision making and even accuse him of state capture. In turn, Georgian Dream accuses the main opposition parties of anti-state obstruction, and of boycotting the parliamentary working groups set up to address the 12 EU preconditions. Unquestionably, all this confrontation and political polarization cannot help the country's aspirations for European integration.

Indeed, Georgia's ongoing political maelstrom is far from the inclusive and cooperative process that is required to fulfil the EU's preconditions. Political polarization is increasing daily and whereas before it was limited to enmity between the Georgian Dream and the opposition, today it is also directed towards civil society. Several activists and NGOs have

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1 [https://ec.europa.eu/commission/presscorner/detail/en/IP\\_22\\_3790](https://ec.europa.eu/commission/presscorner/detail/en/IP_22_3790)

been labelled by the ruling party as part of the radical opposition and “war supporters’ party”. This gloomy and knotty political picture further reduces any remaining tepid optimism that political stakeholders might overcome polarization and work together for the national interest. Georgia has parliamentary elections in 2024 and it is unlikely that polarization will decrease in the foreseeable future. On the contrary, the “prize” of the next four-year term is likely to encourage politicians to double down on their efforts to further demonize competitors.

The plethora of problems should not be considered “just domestic”. Georgian politics has never been free from external influence. Neighbouring Russia continues to occupy part of Georgian territory and intends to keep Georgia within its sphere of influence. Along with military power and occupation, Russia actively uses its state-crafted networks for malign influence. Pseudo-conservatism, disinformation, blackmail, interference in elections, cyberattacks and even religion are used to indoctrinate Georgian society. The stakes are especially high today as the war in Ukraine has highlighted Georgia’s strategic importance. The East-West transport and energy corridors that pass through Georgian territory are much in demand and essential for the EU’s energy security. Georgia provides interconnectivity between European and Asian markets and alternative routes for East-West transportation of goods and commodities. The TRACECA corridor, with its possible connection to the Danube River, could transform the Black Sea region into a multifunctional infrastructural hub for both European and transcontinental cooperation.

This cooperation has recently increased in importance. Georgia and the EU are considering the cabling of high-voltage transmission lines on the Black Sea floor to connect Georgia and EU energy systems. At the same time, the EU is interested in reinforcing digital connections in the Black Sea region. Digital connectivity is one of the five priorities that the EU intends to fund in Georgia in the coming years.

Although Georgia is a small market economy of 3.7 million people, the country has free trade agreements with the EU, the European Free Trade Association states, Turkey, China, Hong Kong and the CIS countries. Along with the country’s notable achievements, such as Georgia being ranked 7th out of 190 economies in the World Bank’s Ease of Doing Business Index (World Bank, 2021),<sup>2</sup> these factors make EU integration beneficial for both Georgia and its partners. In 2021, the EU, Georgia and Turkey finalized new rules on diagonal cumulation,<sup>3</sup> meaning that Georgian products with Turkish inputs can now be exported duty-free to the EU under the Free Trade Agreement.

Georgia’s strategic geographic location could be a game changer for the EU’s Energy Security. As an active partner in the Southern Gas Corridor, Georgia is committed to contributing to the energy security of the EU. Consequently, Georgia’s western orientation, which is an existential choice of generations based on a strong commitment to shared values and common strategic goals, safeguards EU interests in the region. By participating in the EU’s Common Security and Defence Policy missions, Georgia contributes to the security of the EU and defends its values, including in remote regions of the globe. Therefore, further EU-Georgian rapprochement strengthens interregional connectivity, which will further converge markets and economies, and intensify East-West trade connections.

Despite all the above-mentioned political problems, Georgia’s merit-based performance and sectoral cooperation with the EU is a significant success of the Eastern Partnership. Georgia has currently implemented almost 50% of its Association Agreement commitments. Deep and Comprehensive Free Trade Area commitments make up around 60% of these, and the

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2 <https://data.worldbank.org/indicator/IC.BUS.EASE.XQ?locations=GE>

3 <https://agenda.ge/en/news/2021/408>

new Association Agenda for 2021–27<sup>4</sup> is a solid basis for further ambitious reforms. Thus, the EU's decision to refuse candidacy was a challenging geopolitical signal to a nation that has been a victim of Russia's hybrid war, is suffering from ongoing Russian occupation and has also suffered for its European choice. The postponement of Georgia's EU candidate status has provided fertilizer for Russian-backed anti-western propaganda. The hybrid war against democratic principles and western-liberal values entered a new phase as anti-western propaganda accused the EU and western partners of influencing Georgia to neglect its values and national interests, and get involved in a war with Russia. Kremlin propaganda has asserted that Georgia is facing a dilemma of peace versus EU candidacy and territorial integrity versus EU integration.

However, recent opinion polls indicate that despite Russian informational and psychological attacks, Georgian society still shows remarkable resilience and an unshakable commitment to EU integration.<sup>5</sup> Nonetheless, Georgia is bound to be defeated in this unequal war if the EU does not embrace it. Continued support for Georgia is essential for the country's democratic development and reform. By upholding Georgia's integration aspirations, the EU safeguards its own long-term interests, which will ultimately yield benefits for collective European stability, economic welfare, energy security and prosperity.

## Policy Recommendations

- **While Georgia is in the process of implementing the EU's 12 recommendations, the EU can adrenalize it with practical steps that support Georgia's sectoral reforms.** EU assistance plays a crucial role in Georgia's reform process and ultimate success. If the EU were to extend the Instrument of Pre-Accession Assistance (IPA) to Georgia, it would inspire Georgian democratic forces and trigger a new wave of reform in the political, institutional, legal, administrative, social and economic spheres. At the same time, it would provide the EU with efficient oversight leverage for Georgia's further democratic advancement and sectoral progress.
- **Georgia is already part of the EU's Customs and Fiscal programmes, and has begun consultations on joining the Single Market programme.** Enhanced involvement in EU framework programmes and specialized agencies will stimulate the Georgian market considerably, making it much more attractive and helping to improve its effectiveness and achieve effective European standards.
- **Accepting Georgia into SEPA would further stimulate cooperation and serve as a successful example of sectoral integration.** Technically, Georgia is already prepared for integration into the EU Single Euro Payment Area (SEPA). The Georgian banking industry established its credentials years ago and its reliability, stability and transparency, as well as its legal regulations, are fully interoperable with EU standards and requirements.
- **Georgia is also prepared to be integrated into the EU's Free-Roaming Area.** Along with practical benefits for travellers to or from Georgia, a decision on admission would be a strong political signal that will serve as a tangible deliverable of EU integration.

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4 <https://mfa.gov.ge/cmsctx/culture/en-US/-/getattachment/News/saqartvelosa-da-evrokavshirs-shoris-2021---2027-cl/2021-2027-EU-Georgia-Association-Agenda-EN.pdf.aspx>

5 [https://www.iri.org/resources/public-opinion-survey-residents-of-georgia-september-2022/?fbclid=IwAR20OnX6FrtyCYi\\_TU3dA0Bu\\_HBo4BNle1nDULk\\_rf3HtczLYcRu-FRLuY](https://www.iri.org/resources/public-opinion-survey-residents-of-georgia-september-2022/?fbclid=IwAR20OnX6FrtyCYi_TU3dA0Bu_HBo4BNle1nDULk_rf3HtczLYcRu-FRLuY)

- **In developing its transport infrastructure and serving as an interconnector of East-West cooperation, Georgia aspires to membership of the EU Transport Community and is currently seeking observer status.** Observer status places no obligation on the EU but such an endorsement would empower Georgia, stimulate its transport infrastructure development and facilitate its progressive integration into the EU transport market.
- **Enhanced connectivity in the Black Sea region could become yet another milestone in a strong partnership between the EU and Georgia, and contribute to implementation of the EU's Global Gateway.** The EU should play a more active role in exploiting the full potential of connectivity in the region through robust investments. Developing connectivity in the Black Sea region promises unique opportunities to open up alternative energy supply routes, as well as freight transportation and digital connections that will translate into sustainable economic growth, strengthen European resilience and contribute to implementation of the EU's Global Gateway. Implementation of flagship projects, especially the Black Sea Underwater Electricity Cable, should be intensified and accelerated. To further develop connectivity, the EU should invite Georgia into the Three Seas initiative. This would support Georgia's further integration into the EU's infrastructural network, enhance mobility and connectivity, and open up new opportunities for European business.



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